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File *Appropriation & Budget*

DDA 78-0731/3

8 May 1978

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Data Processing
Director of Logistics
Director of Medical Services
Director of Personnel
Director of Security
Director of Training

FROM: John F. Blake
Deputy Director for Administration

SUBJECT: Presentation of 1979/1980 Budget

The attached memo is a first-class job and well worth reading. Suggest you share it with your Staff and Division Chiefs.

/s/ Jack Blake

John F. Blake

Att:
Memo dtd 4 May 78 to
DDA, DDO, DDS&T, D/NFAC
fr DDCI, same subj (DDA 78-0731/2)

DDA:JFBlake:kmg (8 May 78)

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78-1388

MAY 1978

DD/A Registry

78-0731/2

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Operations
Deputy Director for Science and Technology
Director, National Foreign Assessment Center

FROM : Deputy Director of Central Intelligence

SUBJECT : Presentation of 1979/1980 Budget

1. Our appearance before the House Appropriations Committee ends this year's round of budget hearings. I want to thank each of you for your help in preparing me for the sessions and for contributing, in no small measure, to what I think was a highly professional and effective presentation of the Agency budget. Please pass my thanks to all in your Directorates who contributed to the common undertaking.

2. This is an appropriate time, I think, to reflect on why the hearings went as well as they did this year and what, if anything, they tell us about the future. Clearly, we are gaining experience in the sometimes disconcerting task of explaining ourselves and our ways to the Congress. Our presentation to the Congress acknowledged that the halcyon days of the hand-waved budget will not soon return; that the Congress has been establishing its right to be kept fully, sometimes exhaustively, informed on CIA programs and operations; and that we must labor as never before to establish or succor our credibility by striving to be as straightforward as we responsibly can about what we do, and more difficult, to make it clear that we are being straightforward. I am convinced that if we accept and welcome the idea that the Congress has the responsibility of assuring itself that CIA and the other intelligence agencies are doing their job well and professionally, then we are more likely to get a Congress that does its job well and professionally. I think our committees sensed our changed attitude and that this helped create a more productive, less adversarial, atmosphere for the hearings.

3. But other factors were also at work. Criticism of CIA has given way to a sense that perhaps the intelligence agencies have taken enough flak, and that the good of the country, and simple equity, demand more even-handed treatment. The deterioration of the detente atmosphere, the projection of Soviet military might into

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Africa, the continuing threat of international terrorists, have created a new backdrop for the Congress' assessment of CIA and its role. I was struck by Senator Stevenson's remark at the SSCI hearing that we in the Agency not make stereotyped judgments regarding the Congress' intent vis-a-vis intelligence, covert action, and CIA. So too, we must be mindful of Senator Lugar's observation that he saw little that was fresh or imaginative in our budget.

4. This does not mean that the days of tight budgets are over; far from it. But an austere budget need not be bereft of imagination or vision. We all recognize that the Agency is coming through the most difficult passage of its thirty-year life. A bunker mentality is an inevitable consequence. But while we recognize the phenomenon, we must not simply accept its continuation. I recognize that it is easier for me, a newcomer, to say this than those of you who have had to suffer the slings and arrows these past years. But no matter what our past experience, we all have trouble in recognizing and adjusting to change and trying to foresee and better cope with the future.

5. It may be helpful to come back to basics. We should be guided by our firm conviction that this country and its constitutional system are worth preserving, and that their preservation will increasingly depend on the timeliness and quality of the information that America's leaders have about the world in which we live. CIA will be more, not less, important in the future. It would be a tragedy if we let the past cloud our vision of the future.

6. I know that it is late in the budget process to effect major programmatic changes. But I urge each of you not to let yourselves become hostages to the process, and to think imaginatively about what we might do that is new or better in 1980, particularly with respect to the kind of problems this country is likely to face in the coming years. We must make a special effort to define our 1980 program in ways that relate to the "requirements" for intelligence. I mean "requirements" not in a narrow bureaucratic sense, but rather as an expression of the likely needs (even if they have not yet been articulated) of policymakers for intelligence, analysis, and ways of helping this country defend its interests in a rapidly changing world.

7. And finally, I ask that each of you give some thought to what changes and improvements you would like to see in the presentation of the 1980 budget. I would be particularly interested in how you see your own role in that presentation.

Frank C. Carlucci

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